



Reprinted
February 24, 2007

HOUSE BILL No. 1824

DIGEST OF HB 1824 (Updated February 23, 2007 10:52 am - DI 101)

Citations Affected: Noncode.

Synopsis: Regional public power authority study. Requires the IURC, upon the request of the county executives of three or more counties that are located in an electric utility's service area, to study the feasibility of establishing a regional public power authority to: (1) acquire the assets of an electric utility providing retail electric service on April 1, 2007, in specified counties in Indiana; (2) own and operate the assets acquired; and (3) act as a nonprofit utility to provide retail electric service to customers within the participating units. Requires the commission to report its findings not later than December 31, 2007, to: (1) the regulatory flexibility committee; (2) the legislative council; and (3) the county executive of each county in the electric utility's service area on April 1, 2007. Authorizes the regulatory flexibility committee to recommend any legislation necessary to establish a regional public power authority in Indiana.

Effective: Upon passage.

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January 17, 2007, read first time and referred to Committee on Rules and Legislative Procedures.

February 7, 2007, reassigned to Committee on Commerce, Energy, and Utilities.

February 19, 2007, amended, reported — Do Pass.

February 23, 2007, read second time, amended, ordered engrossed.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1824

A BILL FOR AN ACT to amend the Indiana code concerning
utilities and transportation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) As used in this
2 SECTION, "commission" refers to the Indiana utility regulatory
3 commission created by IC 8-1-1-2.

4 (b) As used in this SECTION, "electric utility" means a public
5 utility (as defined in IC 8-1-2-1(a)) that:

6 (1) provides retail electric service to:

7 (A) more than four hundred thousand (400,000); but

8 (B) less than five hundred thousand (500,000);

9 retail electric customers in Indiana on April 1, 2007; and

10 (2) has a service area that includes, among other counties, the
11 counties described in IC 36-7-7.6-1.

12 (c) As used in this SECTION, "electric utility holding company"
13 means a corporation, company, partnership, or limited liability
14 company that owns an electric utility.

15 (d) As used in this SECTION, "regional public power
16 authority" means a multicounty public power authority established
17 to:

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(1) acquire the generation, transmission, and distribution assets of an electric utility or an electric utility holding company;

(2) own and operate the assets described in subdivision (1); and

(3) act as a nonprofit utility to provide retail electric service to residential, commercial, industrial, and governmental customers within the participating units.

(e) Upon the request of the county executives of three (3) or more counties that are located in an electric utility's service area, the commission shall study the feasibility of establishing a regional public power authority. The study required by this subsection must include the following:

(1) An examination of the need to:

(A) enact new state statutes or regulations; or

(B) amend existing state statutes or regulations;

to permit the establishment of a regional public power authority.

(2) A valuation of the electric utility's generation, transmission, and distribution assets to be acquired by the regional public power authority.

(3) A study of:

(A) existing and potential funding sources or other mechanisms, including the use of eminent domain, available to the regional public power authority to acquire the assets described in subdivision (2); and

(B) the method for determining each participating unit's respective:

(i) contribution toward the acquisition of the assets; and

(ii) ownership interest in the assets acquired.

(4) A study of similarly sized public power authorities operating in the United States, including information on the assets, expenses, operations, management, and customer bases of the authorities, to the extent the information is available.

(5) A cost benefit analysis of establishing a regional public power authority.

(6) A determination of whether the establishment of a regional public power authority is in the public interest.

(7) An examination of any other issues concerning the establishment of a regional public power authority that the commission considers relevant or necessary for study.

(f) As necessary to conduct the study required by subsection (e),

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the commission may:

- (1) make use of the commission's existing resources and technical staff;
- (2) employ or consult with outside analysts, engineers, experts, or other professionals; and
- (3) consult with other:

- (A) public power authorities operating in the United States; or

- (B) state regulatory commissions that:

- (i) regulate public power authorities; or
- (ii) have conducted similar studies.

(g) Not later than December 31, 2007, the commission shall provide a report to the following on the commission's findings from the study conducted under subsection (e):

- (1) The regulatory flexibility committee established by IC 8-1-2.6-4. The report provided to the regulatory flexibility committee under this subsection must be separate from the commission's annual report to the regulatory flexibility committee under IC 8-1-2.5-9(b).

- (2) The legislative council. The report provided to the legislative council under this subsection must be in an electronic format under IC 5-14-6.

- (3) The county executive of each county in the electric utility's service area on April 1, 2007.

(h) The report required by subsection (g) must contain the following:

- (1) A summary of the commission's findings with respect to each issue set forth in subsection (e).

- (2) Recommendations to the regulatory flexibility committee on any legislation needed to establish a regional public power authority.

- (3) Any other findings or recommendations that the commission considers relevant or useful to the entities described in subsection (g).

(i) Before the commission submits its report under subsection (g), any entity described in subsection (g) may require the commission to provide one (1) or more status reports on the commission's study under subsection (e). A status report provided to the legislative council under this subsection must be in an electronic format under IC 5-14-6.

(j) The regulatory flexibility committee:

- (1) shall review the analyses and recommendations of the

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commission contained in:

(A) any status reports provided by the commission under subsection (i); and

(B) the commission's final report provided under subsection (g); and

(2) may recommend to the general assembly any legislation that is necessary to establish a regional public power authority in Indiana, if the regulatory flexibility committee determines that the establishment of a regional public power authority is in the public interest.

(k) This SECTION does not empower the commission or any entity described in subsection (g) to require an electric utility to disclose confidential and proprietary business plans and other confidential information without adequate protection of the information. The commission and all entities described in subsection (g) shall exercise all necessary caution to avoid disclosure of confidential information supplied under this SECTION.

SECTION 2. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Energy and Utilities, to which was referred House Bill 1824, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana code concerning utilities and transportation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1824 as introduced.)

CROOKS, Chair

Committee Vote: yeas 6, nays 5.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1824 be amended to read as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 3.

Page 4, delete lines 1 through 9.

Page 4, line 10, delete "2." and insert "1.".

Page 4, line 35, delete "The" and insert "**Upon the request of the county executives of three (3) or more counties that are located in an electric utility's service area, the**".

Page 6, delete lines 5 through 6.

Page 6, line 7, delete "(4)" and insert "**(3)**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1824 as printed February 20, 2007.)

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